

EXHIBIT 16

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE THE BEAR STEARNS COMPANIES,	:	
INC. SECURITIES, DERIVATIVE, AND ERISA	:	Master File No.:
LITIGATION	:	<u>08 M.D.L. No. 1963 (RWS)</u>
	:	
This Document Relates To:	:	
	:	
Securities Action, 08-Civ-2793 (RWS)	:	
	:	
	:	
_____	X	

**JOINT DECLARATION OF JOSEPH J. TABACCO, JR. AND THOMAS A. DUBBS
IN SUPPORT OF (A) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENTS AND PLAN OF ALLOCATION AND (B) CO-LEAD
COUNSEL'S MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF
LITIGATION EXPENSES**

70. Lead Plaintiff and Deloitte memorialized the terms of settlement in the Deloitte Stipulation, which the parties executed on June 11, 2012 and filed with the Court that same day. (ECF No. 284-1.)

71. On June 11, 2012, Lead Plaintiff moved for preliminary approval by Court of the Deloitte Settlement. The Court held a preliminary approval hearing on June 12, 2012 where the Court granted the motion by order entered June 13, 2012. At the request of all parties, this order also approved a notice program that summarized both Settlements in a single Notice and Summary Notice and coordinated the objection, opt out, claims filing, and final approval hearing dates, which resulted in significant cost savings and efficiencies for the Court and the Settlement Class.

VII. PLAN OF ALLOCATION

72. Pursuant to the Preliminary Approval Orders, and as set forth in the Notice, all Settlement Class Members who want to participate in the distribution of the Settlement Funds must submit a valid Proof of Claim and all required information postmarked no later than October 25, 2012. As provided in the Notice, after deduction of Court-awarded attorneys' fees and expenses (which may include reimbursement of lost wages and expenses to Lead Plaintiff), notice and administration costs, banking fees, and all applicable Taxes, the balance of the Settlement Funds (the "Net Settlement Funds") will be distributed according to the plan of allocation approved by the Court (the "Plan of Allocation").

73. If approved, the proposed Plan of Allocation will govern how the Net Settlement Funds will be distributed among Authorized Claimants. The proposed Plan of Allocation is designed to achieve an equitable and rational distribution of the Net Settlement Funds, but it is not a formal damages analysis that would be submitted at trial.

74. Co-Lead Counsel developed the Plan of Allocation in close consultation with Lead Plaintiff's consulting damages expert and believe that the plan provides a fair and reasonable method to equitably distribute the Net Settlement Funds among Authorized Claimants.

75. The Plan of Allocation provides for distribution of the Net Settlement Funds among Authorized Claimants on a *pro rata* basis based on a formula tied to liability and damages. In developing the Plan of Allocation, Lead Plaintiff's consulting damages expert calculated the reasonable amount of artificial inflation present in Bear Stearns's securities throughout the Class Period that was purportedly caused by the alleged fraud. The damages expert's analysis entailed studying the price declines associated with Bear Stearns's allegedly corrective disclosures, adjusted to eliminate the effects attributable to general market or industry conditions.

76. The proposed Plan of Allocation does not allocate any fixed percentage of the Settlement Funds to any particular type of security (*i.e.*, common stock versus Restricted Stock Units or options or preferred shares). Rather, the proposed distribution will be shared on a *pro rata* basis based on the claims submitted, without any favoring of one security over another.

77. The Garden City Group, Inc. ("GCG"), as the Court-approved Claims Administrator, will determine each Authorized Claimant's *pro rata* share of the Net Settlement Funds based upon each Authorized Claimant's total Recognized Loss compared to the aggregate Recognized Losses of all Authorized Claimants, as calculated in accordance with the Plan of Allocation. Calculation of Recognized Loss will depend upon several factors, including when the Authorized Claimant's Bear Stearns securities were purchased during the Class Period and whether these securities were sold during the Class Period, and if so, when.

78. In sum, the proposed Plan of Allocation, developed in consultation with Lead Plaintiff's consulting damages expert, was designed to fairly and rationally allocate the Net Settlement Funds among Authorized Claimants based on the amount of alleged artificial inflation present in Bear Stearns's securities that was purportedly caused by the Company's overstatement of its financial condition throughout the Class Period. Accordingly, Co-Lead Counsel respectfully submit that the proposed Plan of Allocation is fair, reasonable, and adequate and should be approved.

VIII. LEAD PLAINTIFF'S COMPLIANCE WITH THE COURT'S PRELIMINARY APPROVAL ORDERS REQUIRING ISSUANCE OF A NOTICE OF THE SETTLEMENTS TO SETTLEMENT CLASS MEMBERS

79. The Notice¹⁵ provides potential Settlement Class Members with information on the terms of both Settlements and, among other things: their right to exclude themselves from the Settlement Class; their right to object to any aspect of either Settlement, the Plan of Allocation, or the Fee and Expense Application; and the manner for submitting a Proof of Claim in order to be eligible for a payment from the proceeds of both Settlements. The Notice also informs Settlement Class Members of Co-Lead Counsel's intention to apply for an award of attorneys' fees of no more than 12% of the Settlement Funds and for reimbursement of litigation expenses in an amount not to exceed \$3.4 million, which may include the reasonable expenses and lost wages of Lead Plaintiff directly related to its representation of the class.

80. The Notice was approved by the Court in its Preliminary Approval Orders entered June 13, 2012. Pursuant to the terms of the Preliminary Approval Orders, the deadline for Settlement Class Members to submit objections to the Settlements, the Plan of Allocation, or the

¹⁵ "Notice" refers to the Notice of Pendency of Class Action and Proposed Settlements with the Bear Stearns Defendants and Deloitte and Motion for Attorneys' Fees and Expenses, attached as Ex. A to the Affidavit Regarding (A) Mailing of the Notice and Proof of Claim; (B) Publication of the Summary Notice; (C) Website and Telephone Hotline; and (D) Requests for Exclusion, Aug. 10, 2012 ("Mailing Aff.") (attached as Ex. 2 hereto).